PERSONNEL BUDGETING

FRINGE BENEFITS

Regular Payroll: All Regular Payroll fringe benefits are to be requested in the appropriate Comptroller Object group 01-- Salaries and Wages.

Miscellaneous Adjustments (Comptroller Object 0110): This is for salary adjustments that are not categorized in any of the specific Object 01 Salaries and Wages Comptroller Objects. This includes retention and mission critical bonuses for information technology positions.

Accrued Leave Payout (Comptroller Object 0111): This is used for accrued leave payouts when long-term employees leave State service and are entitled to payment for accrued leave. Agencies should use this Comptroller Object to account for accrued leave payouts for the budget book appropriation and the FY 2007 budget request.

Reclassification (Comptroller Object 0112): This is used for reclassifications and/or hiring above the minimum for a position reclassification. Agencies should account for reclassification costs for the budget book appropriation and request years (actual expenditures will appear as salary payments) within the FY 2007 budget request.

FICA Contributions (Comptroller object 0151): The calculation for this account is as follows:

Add subobjects 0101, 0102, 0104, 0105, 0110, 0111, 0112 and 0155, (up to maximum FICA amounts specified).

Multiply the sum of the above subobjects by the FICA rates in the Standard Rates and Schedules.

The rate and ceiling used for regular payroll employees reflect an adjustment for the non-taxability of certain employee-paid health insurance and "spending account" items.

Employee Health Insurance (Comptroller Object 0152): Amounts for employees' health insurance (average cost per employee for an organizational unit no lower than the 6-digit budget code level), which are charged to the agency accounts by the Central Payroll Bureau, shall be calculated using the following formula:

Actual Cost for subobject 0152 as reflected on Payroll Register as of 7/19/05 (avoid anomalies)	÷	Number of Eligible Employees	**X**	24.07	**X**	1.07

In unusual circumstances, (e.g. educational institutions with a 21-day payroll), the 7/19/05 payroll register may not be used. Please contact your DBM Budget Analyst for assistance concerning the appropriate payroll register date to use for calculating your agency's FY 2007 health insurance rate.

For the formula above, and all budget request forms, the following definitions apply:

- **Number of eligible employees -** The <u>head count</u> of employees occupying regular positions (PINs) at an authorized level <u>of 50% or greater</u>. Does not include temporary employees (TEs), zero pays, and/or vacant positions for the payroll register used.

- **1.07 –** Use 1 + the inflation rate of 7%. **DBM will make any additional inflationary adjustments in the FY 2007 Allowance.**

- **Authorized positions of .5 or greater requested in budget -** The total number of the PINs requested at an authorized level of 50% or greater where <u>each PIN of 50% or greater is counted as one</u>. <u>Do not use a full-time-equivalent total.</u>

Retiree Health Insurance (Comptroller Object 0154): The calculation for retiree health insurance charged to agency accounts by the Central Payroll Bureau is:

Amount requested in subobject 0152 (employee health insurance)   **X**   0.35

(Note: Retiree health insurance amounts paid directly to vendors by the agency are to be requested in R*STARS Comptroller object 0153 and shall be calculated in accordance with each contractual agreement in effect. The terms of the agreement are to be specifically provided on a Form DBM-DA-2 along with the calculation used to arrive at the per-employee cost.)

A completed Form DBM-DA-2 (Budget Estimate) is to be included as part of the budget request for both R*STARS Comptroller object 0152 and 0154 (Sample in the list of forms).

Pay for Performance Bonuses (Comptroller Object 0156): Agencies should <u>NOT</u> budget for FY 2007 performance bonuses.

Retirement/Pension Systems: The amounts requested for retirement and pensions are to be calculated as follows:

Request amount of subobject 0101   **X**   percentage listed in Standard Rates and Schedules.
for the specific retirement program as listed below

SUBOBJECT	SUBOBJECT TITLE
0161	Employee, Correctional Officer, and Legislative Retirement Systems.
0163	Teacher Retirement System
0165	State Police Retirement System
0166	Judges' Pension System (Including Masters)
0167	Mass Transit Administration Pension System
0168	Optional Retirement/Pension System (TIAA)
0169	Natural Resources Law Enforcement Officer Pension System
0170	Other Retirement Systems
0171	Other Pension Systems

Note: Comptroller objects 0162 and 0164 are <u>not</u> to be used for requesting or reporting retirement and pension allowances.

<u>Deferred Compensation (subobject 0172)</u>: The amount requested for deferred compensation should be based on FY 200<u>6</u> actual experience using the following calculation:

- <u>Divide</u> the total FY 200<u>6</u> deferred compensation match *appropriation* (Comptroller Object 0172) <u>by</u> the <u>number of eligible employees</u> in FY 200<u>6</u>. This results in the average payment per employee.
- <u>Multiply the average payment per employee</u> by the <u>number of eligible employees in the FY 2007 request</u> and then <u>multiply by 1.5</u> (since the match in FY 2006 is only $400 but we must budget at $600 per employee). The result is the amount to budget in FY 2007.

Please use a consistent factor for each 6-digit budget unit. The agency calculation should be documented in column 19 of HOBO or on a DA-2 (Budget Estimate) form.

<u>Unemployment Compensation Insurance (Comptroller Object 0174)</u>: Amounts relating to the regular payroll shall be computed by:

Amount requested for Comptroller object 0101 **X** rate in Standard Rates and Schedule

<u>Workers' Compensation Premiums (Comptroller Object 0175)</u>: Leave the same GENERAL FUND and NON-GENERAL FUND amounts in your FY 2007 request as was allowed in your FY 2006 appropriation. DBM will adjust this subobject after the FY 2007 budget submission.

<u>Employee Transit Expenses (subobject 0182)</u>: Do <u>not</u> budget for subobject 0182 in FY 2007.

<u>Other Fringe Benefit Costs (subobject 0199)</u>: Use for fringe benefit costs that are not categorized within any of the specific Object 01 Salaries and Wages Comptroller Objects.

<u>Special Payments Payroll (Comptroller object group 02)</u>: Budget contractual positions in R*STARS Comptroller object <u>0220</u>. The employer share of FICA contributions should be requested in subobject <u>0213</u> and unemployment insurance in subobject <u>0214</u>.

<u>FICA Contributions (Comptroller Object 0213)</u>:

<u>Multiply</u> the amount requested in subobject <u>0220</u> (only up to the maximum amount allowed) <u>by</u> <u>the FICA rate</u> in the Standard Rates and Schedule.

The rate and ceiling used for Comptroller Object 0213 are different from those used for Comptroller Object 0151 because contractual employees do not participate in either health insurance or spending accounts.

<u>Unemployment Compensation Insurance (Comptroller Object 0214)</u>:
<u>Multiply</u> amount in subobject <u>0220</u> <u>by</u> the <u>rate</u> in the Standard Rates and Schedules.